

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5990
ANSWERED ON:03.05.2013
WAIVING OFF FARMER S LOANS
Shetkar Shri Suresh Kumar

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government has received any proposal for rescheduling/ waiving off the loans of the farmers affected by the Nilam cyclone in the State of Andhra Pradesh;
- (b) if so, the details thereof; and
- (c) the action taken/being taken by the Government thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (c): In order to provide relief to bank borrowers in times of natural calamities, Reserve Bank of India has issued standing guidelines to banks. The relief measures, inter alia, include conversion of the principal amount outstanding in the crop loans and agriculture term loans as well as accrued interest thereon into term loans for period ranging from 3 to 10 years depending upon the frequency of crop failures/intensity of damage to crops; treatment of converted/rescheduled agri-loans as 'current dues'; non compounding of interest in respect of loans converted/rescheduled; moratorium period of at least one year, while restructuring; relaxed security and margin norms; fresh crop loans and consumption loans for affected farmers.

The National Bank for Agriculture and Rural Development (NABARD) has reported that the Government of Andhra Pradesh has vide their GO No. MS 2 dated 2.2.2013 declared 371 Mandals in 9 districts, viz., East Godavari, Krishna, West Godavari, Khammam, Guntur, Srikakulam, Visakhapatnam, Vizianagaram and Prakasam as Nilam Cyclone, heavy rains and floods affected.

The State Level Bankers' Committee (SLBC) of Andhra Pradesh has reported that they have discussed the matter in their meeting held on 07.03.2013 and advised all Banks to take up relief measures to the affected farmers as per guidelines of the Reserve Bank of India (RBI). The matter was also discussed in the District Coordination Committee (DCC) meetings and Banks were advised by Lead District Managers (LDMs) of Lead Bank in the District, accordingly.